

AR87

APR 26 1956

LISTED MARCH 20th, 1956
5,000,000 shares of \$1.00 par value
Ticker abbreviation MRM
Dial ticker number 456
Post section 4.1

TORONTO STOCK EXCHANGE

LISTING STATEMENT

MIDRIM MINING COMPANY LIMITED

By Letters Patent of Amalgamation dated April 1st, 1955, issued under The Corporations Act, 1953 (Ontario), Sudbury Midzone Mines Limited and Sudbury Northrim Exploration Company Limited were amalgamated under the name Midrim Mining Company Limited.

1. Address of the Company's Head Office and of any other offices:
Room 1106, 25 Adelaide Street West, Toronto 1, Ontario.
2. Officers of the Company:

| OFFICE HELD | NAME | ADDRESS | OCCUPATION |
|---------------------|-----------------------------|--|------------------|
| President | Edward Franklin Carr | 17 St. Margaret's Drive, Toronto, Ontario | Mining Executive |
| Vice-President | Thomas Alexander Richardson | 427 Russell Hill Road, Toronto, Ontario | Broker |
| Secretary-Treasurer | George Alexander Hunter | 533 Blythwood Road, Toronto, Ontario | Broker |
3. Directors of the Company:

| NAME | ADDRESS | OCCUPATION |
|-----------------------------|---|-------------------|
| Edward Franklin Carr | 17 St. Margaret's Drive, Toronto, Ontario | Mining Executive |
| Thomas Alexander Richardson | 427 Russell Hill Road, Toronto, Ontario | Broker |
| George Alexander Hunter | 533 Blythwood Road, Toronto, Ontario | Broker |
| William Vincent MacInnes | 108 Riverside Drive, Oakville, Ontario | Security Salesman |
| Wilbur Ralph Salter | 496 Russell Hill Road, Toronto, Ontario | Solicitor |
4. Names and addresses of all transfer agents:
Montreal Trust Company, 15 King Street West, Toronto 1, Ontario.
5. Particulars of any fee charged upon transfer other than customary government taxes:
A fee of 50 cents is charged on each new share certificate issued.
6. Names and addresses of all registrars:
Montreal Trust Company, 15 King Street West, Toronto 1, Ontario.
7. Amount of authorized capital: \$5,000,000.00.
8. Number of shares and par value: 5,000,000 shares of the par value of \$1.00 each.
9. Full details of all shares issued in payment for properties or for any other assets other than cash:

| Date | Number of Shares | Description |
|---|------------------|---|
| Since Letters Patent of Amalgamation issued as heretofore provided, set forth below will be found particulars of property payments of the two companies amalgamated under the name Midrim Mining Company Limited. | | |
| BY SUDBURY MIDZONE MINES LIMITED | | |
| February 21, 1952..... | 800,000 | Parcels 530, 581 and 652 in the Register for the District of Algoma North Section and Parcels 7083 and 11948A in the Register for the District of Sudbury West Section, for an aggregate consideration of 800,000 shares. |
| May 15, 1952..... | 6,000 | Claims S-63980-3 inclusive in the Sudbury Mining Division for an aggregate consideration of 6,000 shares. |
| May 15, 1952..... | 10,000 | Option to purchase part of Parcel 6821 S.W.S. containing 40 acres and the whole of Parcel 7099 S.W.S. containing 20 acres registered in the Land Titles Office at Sudbury for an aggregate consideration of 10,000 shares and \$15,000. |
| June 24, 1952..... | 15,000 | Mining Claim S-62014 in the Sudbury Mining Division for an aggregate consideration of 15,000 shares. |
| October 9, 1952..... | 50,000 | Parcels 6730, 6731, 6756, 6770, 6771, 6773, 6793, 6814, 6852, 6873, 7023, 7034 and 7075 S.W.S. registered in the Land Titles Office at Sudbury for an aggregate consideration of 50,000 shares. |
| Total..... | 881,000 | |
| BY SUDBURY NORTHRIM EXPLORATION COMPANY LIMITED | | |
| February 28, 1952..... | 900,000 | 231 unpatented mining claims with an area of approximately 9,240 acres located in the Sudbury Basin area of the Sudbury Mining Division for an aggregate consideration of 900,000 shares and \$10,000.00 cash. |
| July 24, 1952..... | 10,000 | Unpatented mining claims numbers S-57738 to S-57745 in the Sudbury Mining Division for an aggregate consideration of 10,000 shares and \$500.00 cash. |
| Total..... | 910,000 | |

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open for inspection at the general office of the Exchange.

| | Date | No. of Shares | Price per share | Amount realized by Company |
|---|---|---------------|-----------------|----------------------------|
| 10. Full details of all shares sold for cash. | Set forth below are particulars of shares issued for cash by the two companies amalgamated under the name Midrim Mining Company Limited. By SUDBURY MIDZONE MINES LIMITED: February 19, 1952..... 5 \$1.00 \$ 5.00 May 15, 1952.....2,000,000 .27 540,000.00 March 15, 1955..... 1 1.00 1.00 By SUDBURY NORTHRIM EXPLORATION COMPANY LIMITED: February 19, 1952..... 5 \$1.00 \$ 5.00 May 15, 1952.....2,500,000 .25 625,000.00 March 15, 1955..... 1 1.00 1.00 Combining the two companies, a total of 4,500,011 shares were issued for \$1,165,011.00. Adding shares issued for properties by both companies, yields a net number of shares issued by the two companies of 6,291,011 shares. The letters patent of amalgamation cancelled 26,000 shares of Northrim owned by Midzone and 20,000 shares of Midzone owned by Northrim. The holdings of shareholders were then reduced on the amalgamation on a basis of 1 share of Midrim for every 2 shares of Midzone and 1 share of Midrim for every 3 shares of Northrim. This allocated 1,430,503 shares of Midrim for the Midzone shareholders and 1,128,002 shares of Midrim for the Northrim shareholders which, when added, give a total of 2,558,505 shares, being the number of shares of the Company presently issued. The letters patent of amalgamation also fixed the Company's capital at 5,000,000 shares of \$1.00 each. | | | |
| 11. Total number of shares issued. | 2,558,505. | | | |
| 12. Number of shares now in treasury or otherwise unissued. | 2,441,495. | | | |
| 13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes. | Nil. | | | |
| 14. Date of last annual meeting. | April 1st, 1955. | | | |
| 15. Date of last report to shareholders. | March 15th, 1955. | | | |
| 16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this is to be stated. | At a meeting of the Company's directors held May 5th, 1955, the President of the Company, Edward Franklin Carr, was granted the option of purchasing all or any part of 100,000 shares of the Company up to but not after May 5th, 1958, at a price per share equal to the closing price of shares of the company on May 9th, 1955, said price to be specified by subsequent resolution. At a directors' meeting held September 27th, 1955, the said price was fixed at 70c per share. | | | |
| 17. Details of any shares pooled, deposited in escrow, non-transferable or held under any syndicate agreement or control. | None. | | | |
| 18. Details of any registration with or approval or authority for sale or granted by or any filing with a Securities Commission or corresponding Government body. | The Company has never effected any registration. Shares of Sudbury Midzone Mines Limited were duly qualified with the Ontario Securities Commission on April 22, 1952, and those of Sudbury Northrim Exploration Company Limited on July 3, 1952. | | | |
| 19. Has any application for registration with, or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled or revoked? If so, give particulars. | No. | | | |
| 20. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding. | None. | | | |

| | |
|---|--|
| <p>21. Enumerate fully, giving claim or property numbers, approximate acreage, townships and mining camp or oil field:</p> <p>(a) Properties owned where titles vested in Company.</p> <p>(b) Properties leased.</p> <p>(c) Properties otherwise held.</p> <p>Give particulars of title held by the Company in each instance (e.g. patented, unpatented, Crown granted, held under mining license, perpetual lease, etc.)</p> | <p>See Schedule "A" on page 8.</p> |
| <p>22. Full particulars of any royalties or other charges payable upon production from each individual property.</p> | <p>See item 21 hereof.</p> |
| <p>23. Are any lawsuits pending against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so, explain fully.</p> | <p>No.</p> |
| <p>24. Describe plant and equipment on property.</p> | <p>None.</p> |
| <p>25. Describe development accomplished and planned.</p> | <p>See Schedule "B" on page 8.</p> |
| <p>26. Date and author of mining engineer's or petroleum geologist's report filed with this application and available for inspection on request.</p> | <p>Two reports prepared by W. C. Ringsleben dated March 1st, 1956.</p> |
| <p>27. Full particulars of production to date.</p> | <p>None.</p> |
| <p>28. Have any dividends been paid? If so, give dates, per share rate, and amount paid in dollars on each distribution.</p> | <p>No.</p> |

| | |
|---|--|
| 29. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange. | Salter, Reilly & Jamieson, 112 Yonge Street, Toronto 1, Ontario. |
| 30. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars. | No. |
| (b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars. | No. |
| (c) Has the listing of any shares of the Company ever been refused or deferred on any stock exchange? If so, give particulars. | No. |
| 31. Particulars of the principal business in which each director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm. | <p>EDWARD FRANKLIN CARR has been a Mining Executive for the past 3½ years. Prior thereto he was President of Edward Carr Limited, Automotive Parts and Appliances, Wholesalers and Retailers.</p> <p>THOMAS ALEXANDER RICHARDSON has been a partner of T. A. Richardson & Co., members of the Toronto Stock Exchange, for over five years.</p> <p>GEORGE ALEXANDER HUNTER has been a partner of T. A. Richardson & Co., members of the Toronto Stock Exchange, for over five years.</p> <p>WILLIAM VINCENT MACINNES has been a Security Salesman with T. A. Richardson & Co. for the past two years. Prior thereto he was a Security Analyst with James Richardson & Sons, Toronto.</p> <p>WILBUR RALPH SALTER has been the senior partner of Salter, Reilly & Jamieson, Solicitors, Toronto, for over five years.</p> |

Dated at Toronto the 2nd day of March, 1956.



MIDRIM MINING COMPANY LIMITED
"E. F. CARR", *President*.
"G. A. HUNTER", *Secretary*.

STATEMENT SHOWING NUMBER OF SHAREHOLDERS
as of March 2nd, 1956

| Number | | Shares |
|--------|--------------------------------|-----------------------------|
| 118 | Holders of 1 – 100 shares..... | 8,798 |
| 482 | " " 101 – 1000 " | 212,293 |
| 71 | " " 1001 – 2000 " | 116,549 |
| 30 | " " 2001 – 3000 " | 76,284 |
| 23 | " " 3001 – 4000 " | 81,640 |
| 16 | " " 4001 – 5000 " | 72,900 |
| 60 | " " 5001 – up " | 1,990,041 |
| 800 | Stockholders | Total shares..... 2,558,505 |

FINANCIAL STATEMENTS

BALANCE SHEET AS OF OCTOBER 31, 1955

ASSETS

CURRENT ASSETS:

| | | |
|-------------------------------------|--------------|--------------|
| Cash in bank..... | \$364,322.11 | |
| Accounts receivable..... | 6,219.47 | |
| Receivable for securities sold..... | 52,587.18 | \$423,128.76 |

SHARES IN OTHER COMPANIES at cost less amounts written off:

| | | |
|--|--------------|--------------|
| Multi-Minerals Ltd..... | \$781,852.15 | |
| 633,854 shares (quoted market price \$1.45 per share) | | |
| 200,000 shares held in escrow (no market) | | |
| Other listed shares (quoted market value \$390,874)..... | 295,089.73 | |
| Unlisted shares..... | 52,376.10 | 1,129,317.98 |

PAYMENT ON OPTION TO PURCHASE MINING CLAIMS

1,500.00

FIXED ASSETS:

| | | |
|---|--------------|-----------|
| Mining properties and claims located in the Province of Ontario | | |
| Sudbury Midzone group | | |
| At the value placed upon 871,000 Sudbury Midzone shares | | |
| issued therefor..... | \$ 67,670.00 | |
| Sudbury Northrim group at nominal value..... | 1.00 | |
| Equipment, at cost..... | 4,401.50 | 72,072.50 |

DEFERRED EXPENDITURES:

| | | |
|---|--------------|------------|
| Exploration and administrative expenditures as per statement..... | \$249,739.01 | |
| Sundry participations..... | 706.69 | 250,445.70 |

Approved on behalf of the Board:

E. F. CARR, Director
G. A. HUNTER, Director

\$1,876,464.94

LIABILITIES

CURRENT LIABILITIES:

| | | |
|--|-------------|--------------|
| Accounts payable and accrued liabilities..... | \$17,904.72 | |
| Amount payable for securities purchased (secured)..... | 25,553.03 | \$ 43,457.75 |

CAPITAL STOCK AND SURPLUS:

| | | |
|--|----------------|--------------|
| Capital stock (see notes): | | |
| Authorized—5,000,000 shares of \$1 each | | |
| Issued —2,558,505 shares..... | \$2,558,505.00 | |
| Less discount on shares..... | 2,032,976.15 | |
| | 525,528.85 | |
| Contributed surplus arising from the reduction in capital upon amalgamation April 1, 1955..... | 739,378.85 | |
| Earned surplus..... | 568,099.49 | 1,833,007.19 |

Notes:

1. On May 5, 1955 an option was granted to an officer of the company to purchase 100,000 shares of its capital stock at 70 cents per share exercisable on or before May 5, 1958 being the closing market price on May 9, 1955.
2. Under an agreement dated March 15, 1955 confirmed by letters patent dated April 1, 1955, Sudbury Northrim Exploration Company Limited and Sudbury Midzone Mines Limited were amalgamated under the name of Midrim Mining Company Limited. The issued shares shown on the balance sheet are after cancellation of part of the issued shares of the amalgamating companies as provided in the agreement.

\$1,876,464.94

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Midrim Mining Company Limited as at October 31, 1955 and the statement of earned surplus for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the above balance sheet and related statement of earned surplus present fairly the financial position of the company as at October 31, 1955.

Toronto, December 20, 1955.

Gunn, Roberts & Co.
Chartered Accountants.

STATEMENT OF EXPLORATION AND ADMINISTRATIVE EXPENDITURES DEFERRED

For the year ended October 31, 1955

EXPLORATION EXPENDITURES:

Sudbury Area—Ontario

| | | |
|---|------------|------------|
| Recording and surveying | \$1,488.66 | |
| Assaying | 1,067.00 | |
| Engineering salaries and expenses | 999.95 | |
| Loss on disposal of truck | 945.05 | |
| General expense | 495.00 | |
| Transportation | 111.90 | \$5,107.56 |

Chibougamau Area—Quebec

| | | |
|--|--|----------|
| Staking and recording 235 claims— $\frac{1}{8}$ interest | | 2,605.20 |
|--|--|----------|

Verneuil Township—Quebec

| | | |
|---------------------------------------|--|----------|
| Staking and recording 25 claims | | 5,000.00 |
|---------------------------------------|--|----------|

General exploration expenditures

| | | |
|---|-------------|-----------|
| Diamond drilling | \$12,877.61 | |
| Other expenses including prospectors' salaries, engineering services, temporary equipment, etc. . . | 11,816.85 | 24,694.46 |

TOTAL EXPLORATION EXPENDITURES \$ 37,407.22

ADMINISTRATIVE AND CORPORATE EXPENDITURES:

| | | |
|--------------------------------------|------------|-----------|
| Executive salaries | \$4,500.00 | |
| Executive travelling expense | 639.87 | |
| Directors' fees | 1,405.00 | |
| Consultants' fees and expenses | 5,581.70 | |
| Office salaries | 2,706.35 | |
| Office rent | 3,655.00 | |
| Legal expense | 3,250.00 | |
| Audit fees | 2,000.00 | |
| Transfer and registrar expense | 1,899.73 | |
| Reports to shareholders | 1,006.60 | |
| Mining licenses and taxes | 545.01 | |
| Stationery and office supplies | 264.56 | |
| Telephone and telegraph | 957.63 | |
| Bank charges | 84.62 | |
| Sundry expenses | 525.79 | 29,021.86 |

Deduct interest earned (net) 66,429.08

Expenditures (net) for the year 4,660.13

Balance deferred at November 1, 1954 61,768.95

Deduct general exploration expenditures written off to earned surplus 212,664.52

Balance deferred at October 31, 1955 274,433.47

..... 24,694.46

Note: The expenditures of the individual companies prior to the date of amalgamation are included above.

STATEMENT OF EARNED SURPLUS

For the year ended October 31, 1955

Balance, November 1, 1954 \$307,728.08

ADD:

| | | |
|---|--------------|------------|
| Profit on securities sold | \$287,732.79 | |
| Proceeds from sale of interest in mining claims | 2,491.23 | 290,224.02 |
| | | 597,952.10 |

DEDUCT AMOUNTS WRITTEN OFF:

| | | |
|---|-------------|-----------|
| General exploration expenditures | \$24,694.46 | |
| Legal and other costs of amalgamation | 5,158.15 | 29,852.61 |

Balance, October 31, 1955 \$568,099.49

PROFITS ON SECURITIES SOLD

For the year ended October 31, 1955

| | |
|--|---------------------|
| Chib-Kayrand Copper Mines | \$ 2,499.63 |
| Chiboug Copper Corp. (including recovery of amount previously written off) | 29,450.92 |
| Consolidated Sudbury Basin Mines | 14,350.25 |
| D'Aragon Mines | 11,388.59 |
| Multi-Minerals Ltd. | 11,327.38 |
| Obalski (1945) Ltd. | 23,963.68 |
| Portage Island (Chibougamau) Mines | 11,028.20 |
| New Royran Goldfields | 174,959.39 |
| Opemiska Copper Mines (Quebec) | 8,764.75 |
| | <u>\$287,732.79</u> |

SECURITIES October 31, 1955

| LISTED SHARES | Market Price | Market Value | Book Value |
|--|--------------|---------------------|---------------------|
| 8,000 Bathurst Mining Corp. | \$2.00 | \$ 16,000.00 | \$ 17,329.38 |
| 2,000 Bathurst Mining Corp. "A" Warrants | .26 | 520.00 | 1,088.03 |
| 2,000 Bathurst Mining Corp. "B" Warrants | .65 | 1,300.00 | 1,582.59 |
| 5,000 Chib-Kayrand Copper Mines | .71 | 3,550.00 | 2,500.00 |
| 10,000 Consolidated Mic Mac Oils | 2.40 | 24,000.00 | 29,012.00 |
| 117,500 D'Aragon Mines | .38 | 44,655.00 | 27,750.00 |
| 3,300 Federated Petroleums | 4.35 | 14,355.00 | 29,570.00 |
| 11,000 Maritimes Mining Corp. | 2.00 | 22,000.00 | 25,234.38 |
| 2,000 Maritimes Mining Corp. "A" Warrants | .23 | 460.00 | 1,088.03 |
| 2,000 Maritimes Mining Corp. "B" Warrants | .60 | 1,200.00 | 1,582.59 |
| 226,002 Obalski (1945) Ltd. | .35 | 79,100.70 | 39,951.82 |
| 3,900 Opemiska Copper Mines (Quebec) | 9.80 | 38,220.00 | 27,887.50 |
| 74,665 New Royran Goldfields | 1.75 | 130,663.75 | 78,425.91 |
| 55,000 Quebec Smelting and Refining Co. | .27 | 14,850.00 | 12,087.50 |
| | | <u>\$390,874.45</u> | <u>\$295,089.73</u> |
| UNLISTED SHARES | | | |
| 2,833 Chiboug Copper Corp. | | | \$ 803.86 |
| 400,000 Fallmac Nickel Mines (including 90,000 shares in escrow) | | | Nil |
| 307,500 Portage Island (Chibougamau) Mines | | | 45,572.24 |
| 20,000 Steeladd Ltd. | | | 6,000.00 |
| | | | <u>\$ 52,376.10</u> |

MINING ENGINEER'S REPORT

REPORT ON STURDY MINES LIMITED, SUDBURY DISTRICT, ONTARIO

INTRODUCTION

The property formerly belonged to Sudbury Midzone Mines Limited and is located 8 miles by motor road southwest of Chelmsford. It owns or has under option most of the 1½ mile block of ground between the Vermillion and Errington properties of Consolidated Sudbury Basin on which large bodies of copper-lead-zinc sulphide ore have been developed.

GEOLOGY

The rocks on the property are in the central western portion of the Sudbury Basin and belong to the Whitewater series of late Precambrian age. The sulphide minerals are associated with a fairly narrow band of argillate at the contact between Onwatin black slate on the north and Onaping gray tuff on the south. Strike of the contact is approximately N.65°E. but changes to N.85°E. at the east end. The dip is 30° to 70° north. An olivine diabase dike cuts across the central part of the property in a north-northwest direction and dipping 85° S.W.

Intense faulting has occurred along the contact and also along the Vermillion River in the south part of the property. In the adjacent properties faulting of the folded contact has been an important feature in the search for ore.

Copper-lead-zinc values were cut in several drill holes at two localities along the contact. However, the quantities were not considered large enough to constitute orebodies.

WORK ACCOMPLISHED

Surface investigation and diamond drilling over a period of 30 years has included geological mapping, geophysical surveys, and 69,586 feet of drilling.

PROPOSED EXPLORATION

Much has been learned recently regarding the ore occurrence on either side of Sturdy Mines. In the light of this more detailed knowledge it is proposed to undertake a new drilling programme along the favourable slate-tuff contact. At the same time ore possibilities will be investigated by a limited amount of drilling in other parts of the property.

REPORT ON SALT LEASES IN SOUTH-WESTERN ONTARIO

INTRODUCTION

In November, 1955, two salt leases comprising 900 acres and 1,300 acres were acquired in south-western Ontario in an area where previous drilling for oil and gas had indicated the presence of salt measures. Rail and highways are contingent to the proposed sites for a plant.

DIAMOND DRILLING

A diamond drill hole was completed on the first lease in December, 1955, and cut salt measures which were not suitable for chemical use. A second hole is now being drilled on the second lease where three oil wells had in the past cut thicker beds with reportedly good widths of clear salt. It is hoped to reach this horizon within a week to ten days.

PROPOSAL

If a good thickness of clear salt is intersected, it is proposed to sink a large shaft and put the mine into production for supplying salt for commercial and chemical uses. The acreage is large enough so that a 20-foot bed of salt would assure the operation for many years. Cost data have been obtained for a 1,200-foot shaft, mine development, and surface plant.

MARKETS

Consumption of salt in southern Ontario and Quebec is in the neighbourhood of 900,000 tons per annum and has been steadily growing over a period of years. Some of the large consumers of rock salt are the Departments of Highways of Ontario and Quebec, Street Cleaning and Snow Removal Departments of the larger cities, Meat Packing Plants, Refrigeration Units, and Chemical Plants. There are also many smaller users of salt such as water softening units, which in the aggregate would amount to possibly 50,000 tons per year.

The location of these leases within close truck haul of many of the largest Ontario cities would put the Company in a favourable position to obtain a substantial share of the available market.

ENGINEER'S CERTIFICATE

1. W. C. Ringsleben, Mining Engineer of the City of Toronto, in the Province of Ontario, hereby certifies:
2. That I am a practising Mining Engineer and reside in the City of Toronto, Province of Ontario.
3. That I am a graduate in Mining Engineering of Queen's University, and have been practising my profession of Mining Engineer for the past 38 years.
4. That I am a member of the Association of Professional Engineers of the Province of Ontario.
5. That I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in the property, leases or securities of Sturdy Mines Limited, and Midrim Mines Limited.
6. That this report is based on information derived from a study of all the available data.

Dated at Toronto, Ontario, March 1, 1956.

"W. C. RINGSLEBEN",
P. Eng.

SCHEDULE "A" REFERRED TO IN ITEM 21 ON PAGE 3

(a) Properties owned where titles vested in Company:

Parcel 530 Algoma North Section, being all that part of Lot Number 1, in the 5th Concession, lying north of the Vermillion River, in the Township of Fairbank, containing 162 acres more or less;

Parcel 581 Algoma North Section, being Lot Number 10, in the 5th Concession of the Township of Creighton, containing 320 acres more or less;

Parcel 652 Algoma North Section, being the north half of Lot Number 1, in the 4th Concession, containing 151½ acres, and all that part of Lot Number 1, in the 6th Concession, lying south of the River, containing 180 acres more or less, Township of Fairbank; subject to flooding rights on 5.24 acres;

Parcel 7083 Sudbury West Section, being that part of Lot Number 11, in the 5th Concession of the Township of Creighton, lying south and east of the Vermillion River, containing 218 acres more or less;

Parcel 11948A Sudbury West Section, being that part of the north half of Lot Number 11, in the 6th Concession, lying south of the River containing 96½ acres more or less; that part of Lot Number 12, in the 6th Concession, lying south of the River, containing 230 acres more or less; Lot Number 12 in the 5th Concession, containing 312 acres more or less, Township of Creighton; subject to flooding rights on 1.2 acres.

Parcel 6730 Sudbury West Section, being part of Lot Number 3, in the 6th Concession of the Township of Fairbank, comprising two separate parcels containing 15.2 acres and 22.64 acres more or less, respectively; excepting land under Vermillion River and subject to 60 ft. right-of-way and subject to a flooding right;

Parcel 6731 Sudbury West Section, being part of Lot Number 11, in the 6th Concession of the Township of Creighton, comprising three separate parcels containing 9.1 acres, 1.5 acres and .22 acres more or less, respectively; subject to a right of flooding;

Parcel 6756 Sudbury West Section, being part of Lot numbers 3 and 4 in the 6th Concession of the Township of Fairbank, comprising two separate parcels containing 5.89 acres and 2.48 acres more or less, respectively; subject to flooding rights;

Parcel 6770 Sudbury West Section, being part of Lot Number 12, in the 6th Concession of the Township of Creighton, comprising two separate sections containing 1.56 acres and .83 acres more or less, respectively; subject to flooding rights;

Parcel 6771 Sudbury West Section, being part of the east half and part of the west half of Lot Number 5, in the 6th Concession of the Township of Fairbank, comprising two separate sections containing 12.51 acres and 6.07 acres more or less, respectively; subject to flooding rights;

Parcel 6773 Sudbury West Section, being part of Lot Number 2, in the 6th Concession of the Township of Fairbank, containing 17.5 acres more or less; subject to flooding rights;

Parcel 6973 Sudbury West Section, being part of Lot Number 3, in the 6th Concession of the Township of Fairbank, containing 11 acres more or less; subject to flooding rights;

Parcel 6814 Sudbury West Section, being part of the east half of the south three-quarters of Lot Number 4, in the 6th Concession of the Township of Fairbank, containing 7.73 acres more or less; subject to flooding rights;

Parcel 6852 Sudbury West Section, being part of Lot Number 4, in the 6th Concession of the Township of Fairbank, containing 12.5 acres more or less; subject to 99 ft. right-of-way and flooding rights;

Parcel 6873 Sudbury West Section, being part of Lot Number 2, in the 6th Concession of the Township of Fairbank, containing 22.95 acres more or less; subject to flooding rights;

Parcel 7023 Sudbury West Section, being part of Lot Number 3, in the 6th Concession of the Township of Fairbank, containing 1.01 acre, more or less; subject to flooding rights;

Parcel 7034 Sudbury West Section, being part of the east half of Lot Number 5, in the 6th Concession of the Township of Fairbank, containing 3.10 acres more or less; subject to flooding rights;

Parcel 7075 Sudbury West Section, being part of Lot Number 4, in the 6th Concession of the Township of Fairbank, containing 2.58 acres more or less; subject to flooding rights and 99 ft. right-of-way;

All of the above parcels being registered in the Land Titles Office at Sudbury, Ontario.

The Company owns unpatented mining claims S-91193 to and including S-91200, S-62014, S-60487 and S-60488, located in the Sudbury Mining Division. These claims assist in rounding out the patented Lots aforesaid.

The Company has recently acquired approximately 36 mining claims held under miners' certificates in Verneuil Township, Province of Quebec. Until existing claim boundaries of adjoining mining claims are finally established, it is not possible to state specifically either the exact number of claims acquired or their respective numbers.

(b) Properties leased

The Company has an option to acquire 20 leases covering approximately 2,409 acres of mineral rights in southwestern Ontario. All the leases exclude oil and gas and run for a period of about 14 years, and so long thereafter as any minerals are produced from the respective lands in "paying quantities". The leases lapse unless the lessee commences drilling or prospecting for minerals within 1 year of the respective lease dates, but the lessee may preserve the status of the lease until such development work is commenced by payment of an annual royalty of 50 cents per acre. Each lease reserves a royalty of 10 cents per ton for all minerals produced and sold from the respective lands during the first 12 years of mineral production and thereafter at the rate of 15 cents per ton. Fuller particulars relating to these leases are on file with the Toronto Stock Exchange.

(c) Properties otherwise held

The Company has acquired options to purchase:

- (i) The mineral rights and surface rights in 129 acres north of the Vermillion River in Lot 1, Concession 6, Fairbank Township. Outstanding option payments amount to \$36,000.00.
- (ii) The mineral rights in approximately 67 acres north of the Vermillion River in Lot 2, Concession 6, Fairbank Township. Outstanding option payments amount to \$7,500.00.
- (iii) The mineral rights in approximately 60 acres north of the Vermillion River in Lot 12, Concession 6, Creighton Township. Outstanding option payments amount to \$10,000.00.
- (iv) The surface rights in approximately 60 acres north of the Vermillion River in Lot 12, Concession 6, Creighton Township. Outstanding option payments amount to \$5,500.00.
- (v) The mineral rights in approximately 85.7 acres north of the Vermillion River in Lot 2, Concession 6, Fairbank Township. Outstanding option payments amount to \$10,500.00.

All of the above payments are spread over a 6-year period with about two-thirds of the payments falling due at the end of that time. These optioned lands have been acquired to further round out the Company's holdings in the Sudbury Basin area. At the present time efforts are being made to option additional lands.

SCHEDULE "B" REFERRED TO IN ITEM 25 ON PAGE 3

The Company is an exploration and development company and functions on a dual basis—

FIRST: The Company is constantly engaged in the search for promising mining properties, and for this purpose retains the services of competent field engineers and consultants and experienced prospectors. From the incorporation of the original companies (now amalgamated in the present company) to the end of the last fiscal year, October 31, 1955, exploration and administrative expenditures amounted to \$250,445. The three major mining properties of the Company (as described in item 21) comprise:

(a) the properties in the Sudbury area lying between the Errington Mines and the Vermillion Lake Mine of Consolidated Sudbury Basin Mines Ltd. A new company, Sturdy Mines Limited, has been formed with an authorized capital of 5,000,000 shares to take over and develop these claims. The Company will receive all of the vendors' shares (900,000) of Sturdy Mines Ltd., which will be a controlled subsidiary of the Company. Arrangements are being made between the Company and outside interests to finance Sturdy Mines with an initial firm commitment of approximately \$750,000;

(b) the leased lands in Southwestern Ontario are now being explored by diamond drilling for rock salt. Encouraging results have been obtained to date and further drilling may prove up a deposit of an extent and quality to sustain an economic mining and industrial-chemical enterprise. The leases covering these lands are wholly owned by the Company, subject only to the royalties set out in item 21, and the Company proposes to carry this development through to production in its own name and for its own account;

(c) the mining claims in Verneuil Township, Quebec, have been acquired by prospecting and staking, and the Company will receive 585,000 shares out of 900,000 vendors' shares to be issued in Talisman Mines Limited, a new corporation with an authorized capital of 5,000,000 shares now being formed to take over and develop these claims. Talisman Mines Limited will be a controlled subsidiary of the Company.

SECOND: The Company has participated to a large extent in the financing of other mining ventures through underwritings and options of their shares. During the past two years the Company has provided approximately \$2,000,000 for such ventures, including Multi-Minerals Limited, which is now controlled by the Company. As at this date, the Company's principal holdings of shares and options of other companies is as follows:

| | | | | |
|--------------|------------------------|---------|----------------------|---------|
| SHARES HELD: | D'Aragon..... | 65,000 | New Royran..... | 90,465 |
| | Fallamac..... | 310,000 | Obalski..... | 199,505 |
| | Skeena Silver..... | 16,000 | Obaska..... | 163,000 |
| | Maritime Mining..... | 9,400 | Opemiska..... | 3,900 |
| | Multi-Minerals..... | 816,310 | Quebec Smelting..... | 25,000 |
| | Northlodge Copper..... | 180,000 | Steel Additives..... | 20,000 |
| | Nicoba..... | 35,000 | | |

Options:

Arjon—200,000 shares at 40c due July 9, 1956; 200,000 shares at 50c due October 9, 1956.

D'Aragon—40,000 shares at 40c due May 27, 1956; 40,000 shares at 50c due August 27, 1956.

Obaska—150,000 shares at 10c due March 23, 1956.

Skeena Silver—30,000 shares at 35c due April 29, 1956; 30,000 shares at 40c due July 29, 1956.

Northlodge Copper—40,000 shares at 40c due November 14, 1956; 30,000 shares at 50c due February 14, 1957.

Cash on hand—\$569,254.